D.P.U. 95-23

Petition of Mass-Save, Inc., to revise 220 C.M.R. § 7.07 to provide residential and commercial energy conservation program announcements on a year-round basis.

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FOR: MASS-SAVE, INC.

Petitioner

NOTICE OF PROPOSED AMENDMENT TO 220 C.M.R. § 7.07 AND REQUEST FOR COMMENTS

I. <u>INTRODUCTION</u>

On January 26, 1995, Mass. Save, Inc. ("MSI"), an independent, non-profit corporation sponsored by investor-owned electric and gas utilities and municipal light departments in Massachusetts, petitioned the Department of Public Utilities ("Department"), pursuant to G.L. c. 30A, §§ 2, 3 and 4, to revise 220 C.M.R. § 7.07 ("Petition"). MSI provides energy conservation services under a plan designed by utilities known as the "Residential and Commercial Energy Conservation Program" ("ECS"). MSI has proposed that 220 C.M.R. § 7.07 be revised in order to allow utilities to issue Energy Conservation Service ("ECS") program announcements on a year-round basis rather than only between the months of July and November.

At present, utilities must provide notice to customers of the ECS program in announcements sent to customers at least once within the five-month period of July through November. The portion of 220 C.M.R. § 7.07 that MSI requests to be revised reads as follows:

An explanation of the ECS program shall be printed on a separate bill insert as approved by the Department and included at least once in every customer bill mailed between the months of July and November, and any time a customer is initially billed for service.

In response to the mandates of the National Energy Conservation Policy Act of 1978, the Commonwealth of Massachusetts enacted St. 1980, c. 465, codified as G.L. c. 164 App., §§ 2-1 through 2-10, to establish the ECS program and to require all electric and gas utilities in Massachusetts to offer on-site energy conservation and renewable energy resource services to their customers, thereby encouraging citizens to take steps immediately to improve the energy efficiency of all residential buildings in Massachusetts. G. L. c. 164 App., § 2-2. The statute requires each utility to provide certain energy conservation services through individual or joint efforts in conformance with an overall state plan. Id.

MSI asserts that the current notification period creates an extremely high short-term demand for audits, with substantially lower demand during the remainder of the year (Petition at 2). MSI states that year-round notification would: (1) levelize energy audit requests; (2) stabilize the auditor's workload; (3) maintain the number of auditors employed; (4) ease the current accumulated backlog of pending audit demands; (5) reduce the audit attrition rate; (6) benefit customers because audit requests would be met promptly on a year-round basis; and (7) decrease programs costs while improving customer service because the impact of compressed peak customer demand on MSI would be mitigated (id. at 2, 3).

II. PROPOSED AMENDMENT TO 220 C.M.R. § 7.07

Pursuant to G.L. c. 30A § 5 and 220 C.M.R. §§ 2.00 et seq., the Department proposes that 220 C.M.R. § 7.07 be amended to read as follows:

The monthly or bi-monthly surcharge calculated in accordance with 220 CMR 7.06 shall be incorporated into the first block or step of each gas or electric company's rates or, where appropriate, such surcharge shall be incorporated into the monthly (or bi-monthly) customer charge.

An explanation of the ECS program shall be printed on a separate bill insert as approved by the Department and provided at least once each year to every customer of record, and to every customer of record when the customer is initially billed for service. The schedule for distribution of the ECS program inserts shall be filed in the Utility Implementation Plan at the time that the utility files its annual Utility Implementation Plan with the Division of Energy Resources.

III. REQUEST FOR COMMENTS

Pursuant to G.L. c. 30A § 3 and 220 C.M.R. § 2.04 et seq., any interested person may submit an original and three (3) copies of a signed letter, brief or other memorandum stating their views or arguments concerning the proposed amendment to 220 C.M.R. § 7.07 no later than 5:00 p.m. on April 24, 1995. This letter, brief, or memorandum shall be addressed to the Department and sent to Mary Cottrell, Secretary, Department of Public Utilities, 100 Cambridge Street, 12th floor, Boston, Massachusetts 02202.

IV. VOTE AND ORDER

Accordingly, the Department

<u>VOTES</u>: to open a rulemaking, pursuant to the petition filed by Mass-Save, Inc., on January 26, 1995 and pursuant to 220 C.M.R. §§ 2.00 et seq.; and it is

ORDERED: that the Secretary of the Department attest to a true copy of the proposed amendment of 220 C.M.R. § 7.07 and transmit said attested true copy to the Office of the Secretary of State for the Commonwealth for publication in the <u>Massachusetts Register</u>; and it

<u>FURTHER ORDERED</u> : that the Secretary of the Department, pursuant to 220 C.M.R. §	
2.04, publish notice of the proposed amendment to 220 C.M.R. § 7.07 and request for comments.	
	By Order of the Department,
	Kenneth Gordon, Chairman
	Janet Gail Besser, Commissioner